

## **EXHIBIT 14**

### **Post Warranty Depot Maintenance**

#### **SECTION ONE: EQUIPMENT TO BE MAINTAINED**

The following equipment, including any part thereof, shall be referred to herein as a “unit of Agency equipment” and shall be maintained by the Contractor according to the terms of this Exhibit and the Contract:

- (a) Onboard Fare Transaction Processors (OBFTP)
- (b) Driver Display Units (DDU)
- (c) Contractor-supplied Onboard Wireless Data On/Off Loading System (WDOLS) including devices on-board vehicles and at bases or fixed locations
- (d) Ethernet Switch
- (e) Gate Adaption Kit (GAK) (if applicable)
- (f) Portable Fare Transaction Processors (PFTP)
- (g) Stand Alone Fare Transaction Processor (SAFTP)
- (h) Integration with Sound Transit TVM’s (transaction processor “kits”)

#### **SECTION TWO: AGENCY RESPONSIBILITIES**

2.1 In the event any unit of Agency equipment fails to comply with the Contract requirements (“Defective unit”), Agency personnel will perform first-line maintenance as provided in Section 3.1-58.5 of the Contract.

2.2 If a unit of Agency equipment appears to an Agency to be a Defective unit, Agency personnel will replace the Defective unit with a functioning equivalent from the Agency’s spares inventory.

2.3 The Agency will ship via 2-day delivery the Defective unit and a fault report to the Contractor’s maintenance facility located in Concord, California within two days after removal. The Agency shall pay the shipping charges associated with sending equipment to the Contractor’s maintenance facility for repair or replacement.

2.4 If the Agency agrees to send a Defective unit to a facility other than the Contractor’s maintenance facility, the Agency agrees to concurrently send a copy of the shipment information and fault report to the Contractor so that the Contractor can satisfy its reporting obligations set forth in Section 3.3 of this Exhibit.

2.5 The Agency’s cost of removing the Defective unit, installing a replacement unit from its inventory of spares and shipping the Defective unit to the Contractor shall be collectively referred to as “change-out costs.”

### **SECTION THREE: CONTRACTOR RESPONSIBILITIES**

3.1 The Contractor shall provide the resources necessary to maintain all Agency equipment listed in Section One of this Exhibit such that it will be capable of operation in accordance with the Contract requirements.

3.2 The Contractor shall complete its repair and/or replacement of a Defective unit within fourteen (14) days of receipt of the Defective unit. The Contractor shall ship, via 2-day delivery, the repaired or replaced unit of Agency equipment to a location designated by the Contract Administrator within two days of completing the repair or replace. If the Contractor fails to complete the repair or replacement within the required timeframe, it shall send a replacement part to the Agency until the repair is completed.

3.3 The Contractor shall document all repairs and/or replacements of Agency equipment performed by the Contractor throughout the term of the Contract. In accordance with Section 6.III-13.3.1 of the Contract regarding Maintenance Reports, the Contractor shall submit monthly reports to the Contract Administrator which include, at a minimum, information related to each repair including, but not limited to, time, day, unit of equipment, defective component, type of failure, type of repair or replacement made and by whom.

3.4 The Contractor shall ensure that replacements of an entire unit of equipment, and replacements of components and parts installed as part of a repair, are new at the time of delivery or installation. Contractor will replace scrapped equipment with new equipment. If a unit of equipment is replaced by a new unit under Section 4.1 or if the Agencies pay the applicable purchase price for the new unit under Section 4.2, the new unit shall be covered by a new Warranty Period of twelve (12) months following acceptance of the unit.

3.5 The Contractor shall decide whether to replace or repair a Defective unit.

3.6 The Contractor shall ensure that all work performed or furnished under this Exhibit shall be performed in a good, workmanlike, and professional manner, by qualified personnel and in accordance with the standards of persons and firms with specialized knowledge, expertise and experience who are leading designers and providers of systems, software and hardware in the automated smart card fare payment industry.

### **SECTION FOUR: PAYMENT**

4.1 The Contractor shall repair/replace a Defective unit and deliver a compliant unit without charge to the Agency, and shall reimburse the Agency for the Agency's reasonable change-out costs, if the failure of the unit:

- a. constitutes a failure to meet the Mean Transactions Between Failures (MTBF) or Mean Operating Hours Between Failures (MOHBF) requirements under Sections 6.III-3.3, 6.3, 7.3, or 10.3 of the Contract and such failure does not constitute an Agency responsibility under subsection 4.2 of this Exhibit; or
- b. was caused by the deliberate or negligent act of the Contractor, its Subcontractors of any tier or their respective officers, directors, employees, agents and representatives

4.2 If a unit of Agency equipment fails due to physical damage beyond normal wear and tear, the Agency shall pay the Contractor for the repair/replacement of the defective unit and the Contractor's return shipping costs unless the physical damage was caused by:

- a. the Contractor's failure to comply with the "ruggedizing" and other performance, reliability and other requirements of the Contract; or
- b. the deliberate or negligent act of the Contractor, its Subcontractors of any tier and their respective officers, directors, employees, agents and representatives.

The cost of a repair under this subsection 4.2 shall include, subject to the provision of documentation required for Contract Claims under Section 3.I-33, the reasonable labor costs (calculated by multiplying the actual hours reasonably required for the repair by the applicable hourly labor rate for the person performing the repairs as provided in Exhibit 9, Section XVII) and the reasonable material costs including a reasonable material mark-up for overhead/profit not exceeding 31.3%. The cost of a replacement under this subsection 4.2 shall be the applicable unit purchase price as provided in Exhibit 9, Section II. Absent prior agreement by an Agency, however, an Agency shall not be required to pay repair costs under this subsection that exceed fifty percent (50%) of the cost of a new unit of equipment and the Contractor shall replace such unit at the applicable purchase price as provided in Exhibit 9, Section II.

4.3 If a unit of Agency equipment fails for any reason and the Contractor is not responsible for costs under subsection 4.1 and the Agency is not responsible for costs under subsection 4.2, the Agency shall be charged the per unit price set forth in Exhibit 9, Section VIII as total compensation for the repair/replacement and return shipping costs of the Contractor.

4.4 If both the Contractor and an Agency are responsible for the repair or replacement of a unit of Agency equipment due to a combination of the causes in

subsections 4.1 through 4.3, the repair/replacement, change-out and return shipping costs shall be apportioned between an Agency and the Contractor according to each party's relative share of responsibility for the failure.

4.5 If the Contractor and the Agencies cannot agree on which party is responsible for the repair/replacement, change-out and return shipping costs, or their respective shares of responsibility, the Contractor shall preserve the subject device for inspection by the Contract Administrator and any independent party to which the parties agree to submit the issue for a nonbinding recommendation.

4.6 If, within fourteen (14) days after a repaired/replacement unit is placed into revenue service by an Agency, it is determined to have a fault and the cause is not physical damage for which the Agency is responsible under subsection 4.2, then the Contractor shall repair/replace the defective unit and return a compliant unit at its expense and shall reimburse the Agency for its reasonable change-out costs.

4.7 The Contractor shall submit a monthly invoice to the Contract Administrator for any chargeable depot maintenance completed by the Contractor in accordance with the Contract requirements during the previous month. The Agencies will pay the Contractor within thirty (30) days of receipt of invoice for depot maintenance completed in accordance with the Contract requirements.

## **SECTION FIVE: LEGAL RELATIONS**

5.1 In the event the Contractor fails to comply with its obligations herein, the Contract Administrator shall, upon written notice to the Contractor, have the authority to deduct the Agency's cost for the Contractor's non-compliance from any compensation due or to become due to the Contractor.

5.2 The Contractor's satisfaction of its maintenance obligations herein shall not constitute a waiver by the Agencies of the Contractor's breach of its obligations under the Contract.

5.3 All remedies available to an Agency for the Contractor's breach are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

## **SECTION SIX: IDENTIFICATION OF AGENCY AND CONTRACTOR CONTACTS**

6.1 The Agency contact information for purposes of depot maintenance is as follows:

Snohomish County Public Transportation Benefit Area:

Community Transit  
ATTN: RFCS Project Agency Site Manager  
7100 Hardezon Road  
Everett, WA 98203-5834

Kitsap County Public Transportation Benefit Area:

Kitsap Transit  
ATTN: RFCS Project Agency Site Manager  
200 Charleston Blvd.  
Bremerton, WA 98312

Central Puget Sound Regional Transit Authority:

Sound Transit  
ATTN: RFCS Project Agency Site Manager  
401 South Jackson Street  
Seattle, WA 98104-2826

City of Everett:

Everett Transit  
ATTN: RFCS Project Agency Site Manager  
3220 Cedar St.  
Everett, WA 98201

Washington State Ferries:

Washington State Ferries  
ATTN: RFCS Project Agency Site Manager  
2911 Second Avenue  
Seattle, WA 98121

King County:

King County Metro Transit  
ATTN: RFCS Project Agency Site Manager  
201 South Jackson Street (MS-KSC-TR-0333)  
Seattle, WA 98104-3856

Pierce County Public Transportation Benefit Area:

Pierce Transit  
ATTN: RFCS Project Agency Site Manager  
P.O. Box 99070  
Tacoma, WA 98499-0070

6.2 The Contractor's contact information for purposes of depot maintenance is as follows:

ERG Transit Systems (USA) Inc.  
ATTN: ERG RFCS Project Manager  
1800 Sutter St., Ste. 900  
Concord, CA 94520

6.3 Any changes in contact information from that noted above must be communicated in writing to the other party.